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# HURON - CLINTON METROPOLITAN AUTHORITY



## COMMISSIONERS

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OAKLAND COUNTY REP., *Vacant*

April 12, 2011

The Honorable Mark Jansen  
Michigan State Senate  
Chairman  
Reforms, Restructuring and Reinventing Committee

**RE: SB 7**

Dear Chairman Jansen:

The Huron-Clinton Metropolitan Authority (HCMA) has provided regional park based recreational resources to Southeastern Michigan since 1942. Created by Act 147 of 1939, a local act under, Article V, Section 30 of the Michigan Constitution of 1908, now Article IV, Section 29 of the Michigan Constitution of 1963, HCMA is one of Michigan's oldest and most successful examples of cooperative regional government. The Metroparks operates in five counties and serves more than 9 million visitors per year. HCMA receives no state operating funds or revenue sharing.

HCMA currently has more than 220 full-time employees and 125 retiree and spouses covered by a group experience rated health plan. Similar to other private and public employers, HCMA has struggled with consistently increasing health care costs. Our health plan has been restructured several times over the last four labor contracts, each time increasing employee contribution, plan choice, deductibles and co-pays. Under the standards of SB 7 as introduced, the current employee contribution is calculated to be approximately 5 percent of the direct premium. The percentage does not include required employee co-payments and deductible requirements. The current plan's deductible provisions are \$250 individual/\$500 family and the co-insurance requirements are 90 percent/10 percent. Current labor contract provisions will move employee contributions to 9 percent of 2012 premium cost.

HCMA has reviewed SB 7 in an attempt to analyze the potential impact if enacted into law. HCMA is in the process of contacting our current carrier, Blue Cross and Blue Shield, to determine what products may be available to meet this potential new mandate and at what cost. Due to the difference in definitions between "Local unit of government" and "Public Employer," it is clear that HCMA would be subject to the 80 percent of total cost requirement with no ability to "opt out" with a two-thirds vote of the commission.

HCMA shares the goals enumerated in SB 7 and began implementing similar requirements over the past three years. Attached is a proposed amendment to retain the current authority to manage our health care costs. It would provide to the HCMA Board of Commissioners the same requirements and mechanisms as would be provided to the five county board of commissioners that elect their representatives to the HCMA. Without this flexibility it is unclear that SB 7 would provide any net savings to HCMA.

Thank you for your consideration of the attached amendment. We look forward to working with you and the Committee to reduce health care costs while providing critical health benefits to our employees.

Sincerely,

David C. Moilanen  
Director

/Enc.

A FIVE COUNTY RECREATION AUTHORITY SERVING LIVINGSTON, MACOMB, OAKLAND, WASHTENAW AND WAYNE

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